



Item: AF: I-2

AUDIT AND FINANCE COMMITTEE
Wednesday, October 19, 2011

SUBJECT: REVIEW OF SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF APRIL 1 THROUGH SEPTEMBER 30, 2011.

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

The Office of Inspector General performs follow-up procedures for all outstanding audit recommendations on a regular basis. For the six months ended September 30, 2011, we reviewed a total of 14 audit recommendations resulting in the following conclusions:

- 6 recommendations were found to be fully implemented;
- 4 recommendations were partially implemented; and,
- 4 (Auditor General) recommendations for which implementation could not readily be determined because of pending outcomes for the university's 2011 operational audit.

IMPLEMENTATION PLAN/DATE

We have obtained new expected implementation dates from the auditees responsible for the partially implemented recommendations. These recommendations will be subject to additional follow-up in the future.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: OIG Schedule of Follow-Up on Audit Recommendations

Presented by: Mr. Morley Barnett, Inspector General

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SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS
SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF 4/1 - 9/30/11

IMPLEMENTED (6)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Accounts Payable	FAU10/11-3	1	Need for Supplemental Independent Managerial Review of High-Dollar Banner Invoices	Stacey Semmel	Dennis Crudele	N/A	N/A
Accounts Payable	FAU10/11-3	2	Non-Verification of Vendor Bank Account Information	Stacey Semmel	Dennis Crudele	N/A	N/A
Time and Effort Reporting	FAU10/11-4	1	Deficiencies Related to Maintaining Supporting Documentation for Effort Certifications	JoAnn Moretti	Dr. Barry Rosson	N/A	N/A
Construction	FAU10/11-2	2	Compliance with Construction Manager Bidding Procedures (FP Policy & Procedure #5)	Robert Richman	Tom Donaudy	N/A	N/A
Student Health Services	FAU09/10-3	1.1	Billing to Students (Accounts Receivable)	Cathie Wallace	Dr. Charles Brown	N/A	N/A
Student Health Services	FAU09/10-3	1.2	Third Party (Insurance) Billings and Payments	Cathie Wallace	Dr. Charles Brown	N/A	N/A

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PARTIALLY IMPLEMENTED (4)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Student Government Association	FAU08/09-4	2	Improvement Needed in Annual SGA Budget Preparation and Recording Processes	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that an explanation of how the projected total revenue was calculated is attached to all the non-A&S fee budget request forms as required.	5/31/12
Student Government Association	FAU08/09-4	6	Incomplete Compliance with Statutory Requirements for SGA Reserve Funds	Terry Mena/ Ayden Maher	Dr. Charles Brown	Management needs to ensure that the revised Student Government (SG) Accounting & Budget Office Manual and University Regulation 4.006 are approved by the appropriate SG management and University officials, and there is compliance with the SG Accounting and Budget Office Manual once approved.	5/31/12
Construction	FAU10/11-2	1.1	Documentation Deficiencies in the Construction Manager Payment Approval Process	Robert Richman	Tom Donaudy	Management needs to ensure that there is compliance with the revised Facilities Planning (FP) Policy & Procedure (P&P) # 7 (Major Project Invoices) in regards to all CM partial payment requests being supported by a <i>FAU Standard Subcontractor Partial Payment Request Form</i> which agrees to the construction items paid per the CM <i>Schedule of Values</i> .	9/2/13
Construction	FAU10/11-2	1.2	Lack of Effective Monitoring of GMP Contract Change Orders / Amendments to Schedule of Values Amounts for General Conditions and Profit & Overhead Items	Robert Richman	Tom Donaudy	Management needs to ensure that there is compliance with the revised FP P&P # 7 (Major Project Invoices) and FP P&P # 9 (Major Project Change Orders) in regards to the CM <i>Schedule of Values</i> and <i>Project Manager's Change Order Log</i> amounts being in agreement with previously agreed-upon GMP contract totals, net of any change orders or amendments, before paying them to the CM.	9/2/13

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INDETERMINATE – EXTERNAL OPERATIONAL AUDIT IN PROGRESS (4)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Operational Audit of FAU	AG10-131	2.2	Decentralized Collections - Athletics	Michael Boele/ Melanie Angel	Craig Angelos	N/A *	TBD
Operational Audit of FAU	AG10-131	11	Textbook Affordability	Stacy Volnick	Dennis Crudele	N/A *	TBD
Operational Audit of FAU	AG10-131	13	Property Inventory Accountability	Stacey Semmel	Dennis Crudele	N/A *	TBD
Operational Audit of FAU	AG10-131	14	Property Deletions	Stacey Semmel	Dennis Crudele	N/A *	TBD

* The Auditor General's office performed follow-up testwork on the abovementioned recommendations for the current (fiscal year ended 6/30/11) Operational Audit. The report for the 2011 Operational Audit is currently in review in Tallahassee and has not been finalized. Therefore, the implementation status of these audit recommendations is indeterminate pending the outcome of the Auditor General's 2011 Operational Audit. The 2011 Operational Audit report is expected to be issued in March 2012. In response to inquiry from the OIG, responsible management has asserted that recommendation #s 2.2, 13, and 14 have been fully implemented, and recommendation # 11 has been partially implemented.